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# **Environment and Natural Resources Committee DRAFT Minutes**

May 2, 2012 −9:30 a.m.

Members Present: Jack Darin – Illinois Sierra Club, Sean Weidel – City of Chicago,

Marty Jaffe - University of Illinois at Chicago, Lenore Beyer-Clow

- Openlands, Deb Stone - Cook County Department of

Environmental Control, Patty Werner – Lake County SMC, Mike Sullivan – Kane/Kendall CoM, Jon Grosshans – USEPA, Martha Dooley – Village of Schaumburg, Wally van Buren – Illinois Association of Wastewater Agencies, Christy Sabdo – Kane

County

Staff Present: Jesse Elam, Tim Loftus, Hala Ahmed, Dawn Thompson, Margaret

Schneeman

Others Present: Beata Walsh – RTA, John Paul Jones – Developing Communities

Project

## 1.0 Call to Order

Lenore called the meeting to order at 9:32 am. A round of introductions followed.

## 2.0 Agenda Changes and Announcements

Hala announced that the Community Planning Program and Local Technical Assistance program call for projects would open May 9. CMAP would hold an ideas exchange meeting on May 24 for potential participants in the programs. Beata Walsh noted that the Jobs Access Reverse Commute / New Freedom program grants would open that day as well.

## 3.0 Approval of Minutes from March 7, 2012

A minor omission was noted and the minutes were approved as amended.

## 4.0 Coordinating Committees Update

The Coordinating Committees had not met since the last ENR meeting.

## 5.1 Full-Cost Pricing Research

Margaret Schneeman, a water resources economist with a joint appointment with Illinois-Indiana Sea Grant and CMAP, presented on her full-cost pricing research, referring to a PowerPoint presentation. She noted that pricing is meant to address primarily demand management and the need for infrastructure investment. She noted that while water utilities typically use cost-of-service rate-setting techniques, neither the

full supply cost nor the full economic cost may not be reflected in the price. The "fully supply cost" would include factors such as replacement costs for infrastructure, while the "full economic cost" would include costs related to scarcity and environmental damage. She also noted that it is not necessarily obvious what the "full cost" is. CMAP had developed a white paper on full-cost pricing to develop recommendations for the region; its tenets include voluntary implementation, the need to address foundational issues first, and an initial focus on full supply cost implementation.

A member noted that he had looked at sustainable water bonds with people from a business school. He noted that if the bond market had information on the sustainability of supply, then that could influence water rates via the interest rates on the bonds. Another member noted that Evanston was looking at a water consortium to get water rates down and that legislation has been moving in Springfield to help facilitate utility privatization. Tim explained that the legislation would allow utilities the option to use the market value of infrastructure rather than the original cost less depreciation in their calculations of replacement cost. Margaret noted that the playing field between public and private utilities is unlevel, as they tend to use different cost accounting mechanisms, e.g., the private company will try to recover the full replacement cost of the infrastructure, whereas a public utility may not.

# 5.2 Facility Planning Area amendment process updates

Dawn explained the ramifications of the Illinois EPA's relatively recent decision not to deny sewer construction permits on the basis that they cross FPA boundaries. The CMAP Wastewater Committee had issued a position statement disagreeing with that position, but Illinois EPA stands by it. Dawn said that CMAP is working on updating the procedures manual CMAP uses to guide applicants in preparing an application. Jack mentioned that he wanted to discuss the procedures manual at the June meeting.

## 5.3 Local Technical Assistance projects: water conservation

Hala gave a presentation on a water conservation plan for Orland Park done through the LTA program. She indicated that staff did an extensive analysis on water use by different sectors. A member asked how sprinkler use was calculated; Hala answered that Orland Park has a separate irrigation account for commercial properties.

## 7.0 Other Business

The committee had a discussion of proposed upcoming agenda items: the Illinois DNR budget, full-cost pricing, an appearance by the Illinois EPA director, and an update on the Facility Planning Area amendment process.

## 8.0 Public comment

John Paul Jones mentioned that his organization was looking at landfill issues and alerted the committee to a bill (SB3728) that would ban landfills in Cook County.

# 9.0 Adjournment.

Respectfully submitted,

Jesse Elam, CMAP staff liaison